

**ECONOMIC DEVELOPMENT
SUMMARY**

<u>GENERAL FUND</u>	<u>Page #</u>	<u>Appropriation</u>	<u>Departmental Revenue</u>	<u>Local Cost</u>
ECONOMIC DEVELOPMENT SUMMARY	196			
ECONOMIC DEVELOPMENT	197	2,688,606	-	2,688,606
TOTAL GENERAL FUND		<u>2,688,606</u>	<u>-</u>	<u>2,688,606</u>

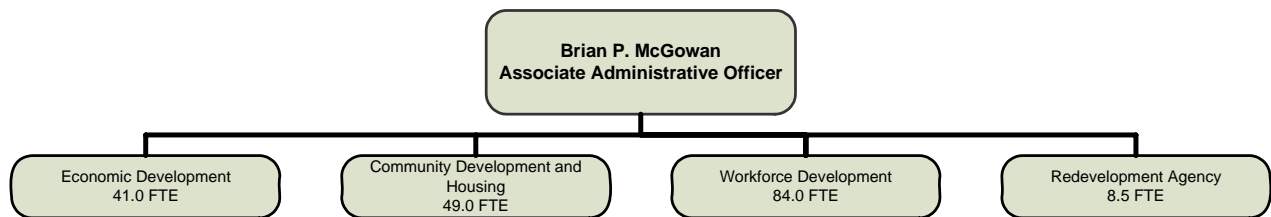
<u>SPECIAL REVENUE FUNDS</u>	<u>Page #</u>	<u>Appropriation</u>	<u>Departmental Revenue</u>	<u>Fund Balance</u>
COMMUNITY DEVELOPMENT AND HOUSING	207	50,731,809	36,088,254	14,643,555
WORKFORCE DEVELOPMENT	211	13,116,429	13,116,429	-
TOTAL SPECIAL REVENUE FUNDS		<u>63,848,238</u>	<u>49,204,683</u>	<u>14,643,555</u>



ECONOMIC DEVELOPMENT AGENCY

Brian P. McGowan

ORGANIZATIONAL CHART



SUMMARY OF BUDGET UNITS

2006-07					
	Appropriation	Revenue	Local Cost	Fund Balance	Staffing
General Fund					
Economic Development	2,688,606	-	2,688,606		42.0
Total General Fund	2,688,606	-	2,688,606		42.0
Special Revenue Funds					
Community Development and Housing	50,731,809	36,088,254		14,643,555	49.0
Workforce Development	13,116,429	13,116,429		-	84.0
Total Special Revenue Funds	63,848,238	49,204,683		14,643,555	133.0
Other Agencies					
Economic Community Development Corp	18,603	12,700		5,903	-
County Industrial Development Authority	47,970	1,300		46,670	-
Redevelopment					
Speedway Project Area	61,537,960	9,703,950		51,834,010	8.5
Cedar Glen Project Area	9,870,863	119,000		9,751,863	-
VVEDA Project Area	899,051	138,000		761,051	-
Mission Joint Project Area	94,038	42,765		51,273	-
Bloomington Proposed Project Area	90,181	5,000		85,181	-
Cajon Proposed Project Area	154,942	5,000		149,942	-
Total Other Agencies	72,713,608	10,027,715		62,685,893	8.5
Total - All Funds	139,250,452	59,232,398	2,688,606	77,329,448	183.5

The Economic Development Agency consists of Administration and the Economic Development function as well as 3 departments (Community Development and Housing, Redevelopment Agency, and Workforce Development). The Redevelopment Agency budget is presented in the "Other Agency" section of the budget book.

NOTE: The Redevelopment Agency budget is presented in the 'Other Agency' section of the budget book.



ECONOMIC DEVELOPMENT

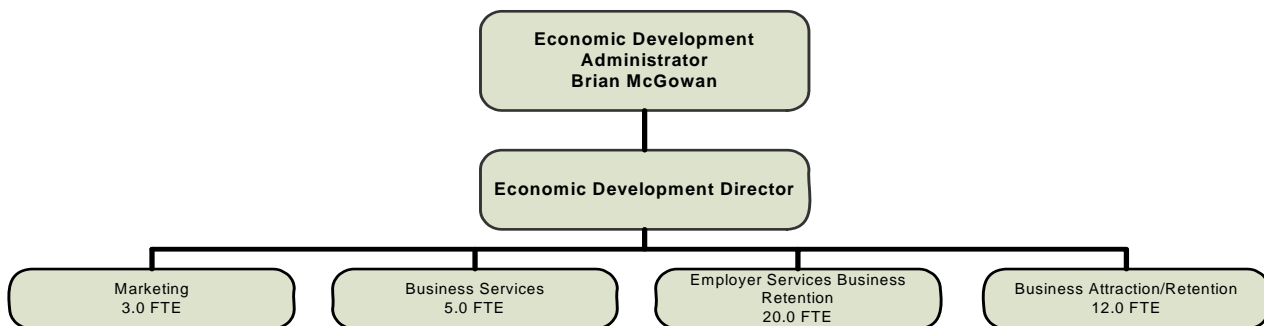
MISSION STATEMENT

The mission of the Economic Development Department is to maximize the standards of living of the county's residents, provide economic opportunities to the county's businesses, foster a competitive environment, and position the county as a highly competitive region for business opportunity.

STRATEGIC GOALS

1. Retain businesses currently located in the county.
2. Attract new business and investment in the county.

ORGANIZATIONAL CHART

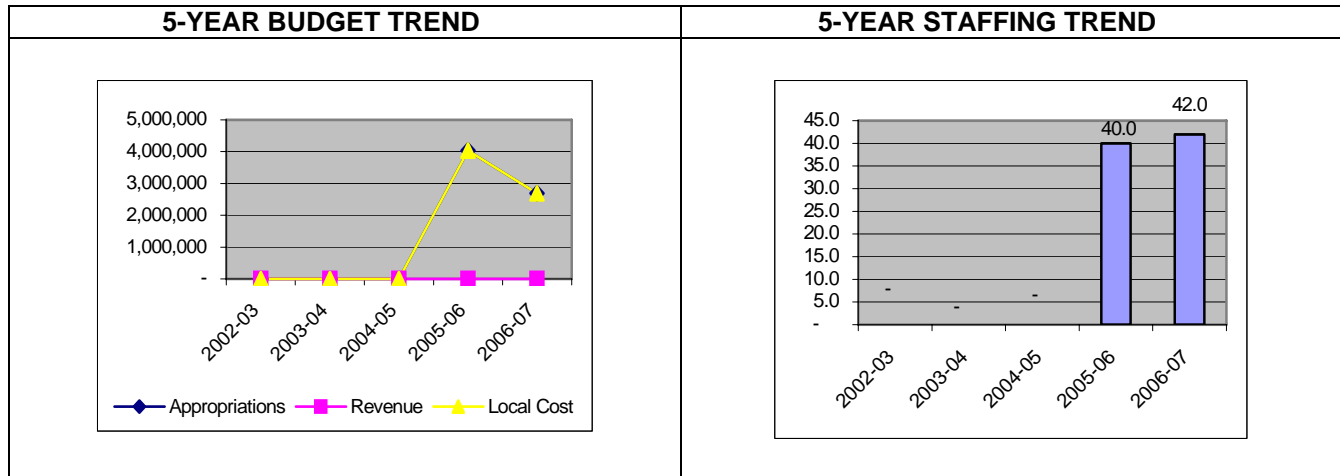


Economic Development

DESCRIPTION OF MAJOR SERVICES

The department's major goals are to develop and implement a countywide economic development strategy that will maximize the standard of living for the county's residents, provide economic opportunities to the county's businesses, foster a competitive environment, and position the county as a highly competitive region for business opportunities. The department will focus on demand-driven programs in economic development, which includes business attraction, retention, and expansion; marketing; small business and job development; and city-county collaboration.

BUDGET HISTORY



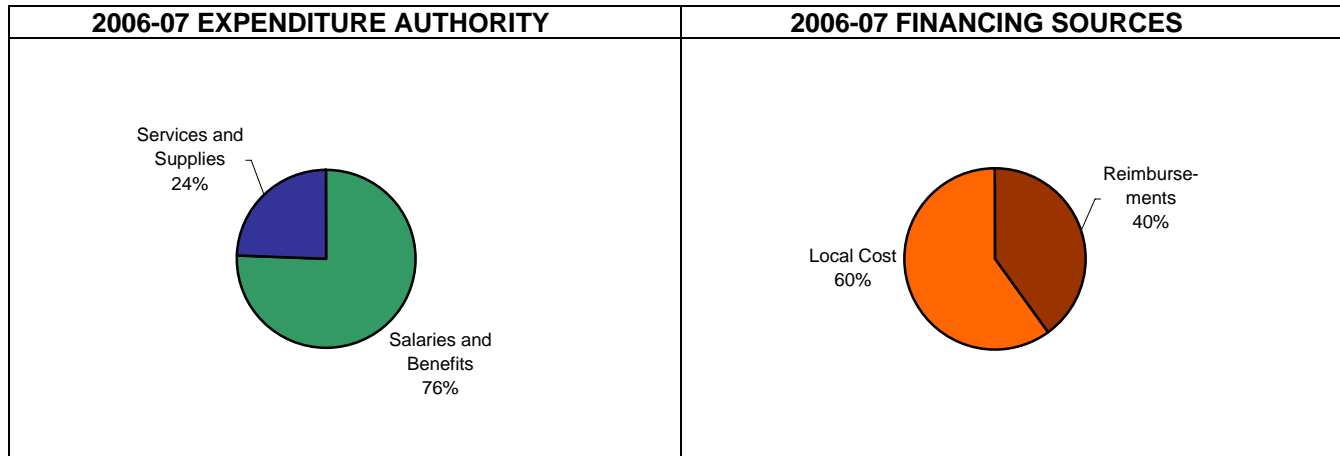
PERFORMANCE HISTORY

	Actual 2002-03	Actual 2003-04	Actual 2004-05	Modified Budget 2005-06	Estimate 2005-06
Appropriation	-	-	-	4,052,760	2,896,784
Departmental Revenue	-	-	-	-	-
Local Cost	-	-	-	4,052,760	2,896,784
Budgeted Staffing				39.0	

The Economic Development Agency was formed as a result of the May 3, 2005 (Item #90) Board action approving the organizational structure. At that time, Economic Development had budgeted staff of 40.0 with appropriations of \$4,039,579. On February 14, 2006 (Item #76) a mid-year organizational cleanup adjusted the budgeted staff to 39.0. When Economic Development was formed, the Board appropriated \$1.6 million in one-time funding to jump start the new economic development programs. Due to delays in hiring the Economic Development Administrator, approximately \$1.2 million in said one-time funding was not expended. Additionally, during 2005-06 staffing was re-evaluated and 4 information systems positions have been transferred to the 2006-07 Economic Development budget.



ANALYSIS OF PROPOSED BUDGET



GROUP: Economic Development
DEPARTMENT: Economic Development
FUND: General

BUDGET UNIT: AAA EDF
FUNCTION: Public Assistance
ACTIVITY: Other Assistance

	2002-03 Actual	2003-04 Actual	2004-05 Actual	2005-06 Estimate	2005-06 Final Budget	2006-07 Proposed Budget	Change From 2005-06 Final Budget
Appropriation							
Salaries and Benefits	-	-	-	1,952,705	3,207,946	3,258,133	50,187
Services and Supplies	-	-	-	2,192,327	3,775,690	1,022,842	(2,752,848)
Central Computer	-	-	-	13,000	2,161	24,961	22,800
Equipment	-	-	-	17,000	-	-	-
Transfers	-	-	-	73,752	23,121	177,581	154,460
Total Exp Authority	-	-	-	4,248,784	7,008,918	4,483,517	(2,525,401)
Reimbursements	-	-	-	(1,352,000)	(2,969,339)	(1,794,911)	1,174,428
Total Appropriation	-	-	-	2,896,784	4,039,579	2,688,606	(1,350,973)
Local Cost	-	-	-	2,896,784	4,039,579	2,688,606	(1,350,973)
Budgeted Staffing					40.0	42.0	2.0

In 2006-07, the department will incur increased costs, such as negotiated labor agreements, retirement, risk management, central computer, and inflationary services and supplies purchases; and will incur decreased costs in worker's compensation. These costs are reflected in the Change From 2005-06 Final Budget column, along with changes related to Board approved mid-year adjustments and department recommendations.

The most significant changes in the proposed budget is the decrease in amounts for services and supplies and reimbursements. Reimbursements saw a significant decrease (from \$2,969,339 to \$1,794,911) due to reimbursements for administrative costs being over estimated in 2005-06. This also resulted in a significant decrease in anticipated services and supplies expenditures for 2006-07. Services and supplies also decreased due to the elimination of one-time funding of \$1,645,000 received in 2005-06.



PERFORMANCE MEASURES		
Description of Performance Measure	Estimated 2005-06	Proposed 2006-07
Respond to business requests for assistance within 24 hours		100%
Streamline and shorten cycles for financial technical assistance and procurement assistance reducing time for final approval		50% reduction
Develop relationships and networks with businesses to identify their hiring needs and work with the Workforce Development Department and the Transitional Assistance Department to place their clients into those positions within 30 days of posting the job order		for 50% of job orders
Increase inquiries by business about locating in the County		50% increase
Increase exports from County-based businesses and foreign investment in the County		50% increase

POLICY ITEM REQUESTS						
Rank	Brief Description of Policy Item	Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost	Proposed 2006-07 Performance Measurement
1	<p>Advertising/International Trade/Business Services/CRMS</p> <p>Request to rollover one time funds received by Economic Development Agency (EDA) in 2005-06 to jump start the expanded economic development program in the County. However, due to the short time the newly reorganized Agency had to operate in 2005-06, along with the lengthy recruitment for the Agency Administrator, projects that were funded in the 2005-06 budget were delayed. This Policy Item will allow the Agency at the direction of new Administrator to move forward with an expanded economic development plan for the Agency. The following items are included in this Policy Item:</p> <ul style="list-style-type: none"> *Increase Advertising by \$400,000 *Increase Prof Services \$268,500 *Increase Special Department Expense (EDA Website Design/Business Resource Center {BRC}/Customer Resource Management Software {CRMS}) \$450,000 <p>The County needs to provide economic opportunities to the County's businesses, foster a competitive environment, and position the County as a highly competitive region for business opportunities. This will be accomplished by an increase in its name recognition among high-power site selectors for high technology, manufacturing, and logistic organizations. This can be only accomplished through an increase in advertising, an updated website that assists businesses to locate crucial County information, and staff that has the capabilities to track and act on leads generated via advertising, trade shows, and website inquiries. An increase in professional services will assist the EDA in developing economic reports and preparing Federal/State program applications.</p> <p>Once the expanded economic development program is up and running the agency will determine what the ongoing costs will be. These ongoing costs will be brought to the board for consideration in the future with an outline of the costs and benefits.</p>	-	1,118,500	-	1,118,500	
<p><i>Proposed Performance Measure: Lead follow-up within 30 days after trade show.</i></p> <p><i>Utilization of CRMS by EDA staff.</i></p>						50%
						100%



POLICY ITEM REQUESTS						
Rank	Brief Description of Policy Item	Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost	Proposed 2006-07 Performance Measurement
2	<p>GIS Technician II</p> <p>This position will be utilized by both EDA and LAFCO on a 50% flat cost basis. Effective economic development strategies depend on answering many questions that are basically geographic in nature - for example:</p> <ul style="list-style-type: none"> * what is the spatial pattern of businesses and households within a community? * where are the best sites for a proposed industrial park? * which retail sectors are under-represented within a community? * where are the business clusters? * where do most of an area's workforce reside? <p>While EDA can answer these types of questions, there is no dedicated staff person to assist in the development of necessary reports and maps to be used for business attraction and retention, workforce and small business development, and marketing. The GIS Tech will create and update a variety of GIS databases in support of business attraction and retention, workforce and small business development, identification of business clusters, and marketing. Additionally, the position will research and compile source materials from various resources including databases, recorded maps, records of survey, aerial photos and topographic maps for reports, grant preparation, public requests, business attraction presentation, and trade shows.</p> <p>The position will also support LAFCO in its missions to encourage orderly growth, to promote logical and orderly service boundaries for cities and special districts, to discourage premature conversion of prime agricultural lands to urban uses, and to promote efficient and effective service delivery for cities and special districts through research, mapping development, database compilation, and report preparation. At the time the Agency Business Plan was developed, it was determined that this position could not be fully funded within the current funding levels. With LAFCO's funding, the duties of this position become affordable for both agencies. Additionally, this position supports the Agency's Business Plan in all areas of marketing, economic development, small business development, and job development.</p>	1.0	65,184	32,592	32,592	
Proposed Performance Measure: Reduce the use of GIMS mapping						50%
3	<p>Accountant II</p> <p>The Economic Development Agency was organized in 2005/06 and currently has no accounting staff. This request is to add an Accountant II to act as a financial consultant to management. This position will perform complex professional accounting duties which require the preparation and interpretation of financial statements and reports; establish new accounting procedures and controls for the Agency's Departments; and analyze and advise management on a variety of fiscal matters. Duties will also include: preparing/verifying a variety of complex accounting, statistical and narrative statements and reports requiring extensive analysis and interpretation of data; gathering, analyzing and evaluating diverse accounting data; developing trends, forecasts, and projections; based on analyses, making recommendations on the fiscal operation of a department.</p> <p>This an ongoing funding request.</p>	1.0	83,350	-	83,350	
Proposed Performance Measure: Monitor EDA financials on a daily basis.						80%



POLICY ITEM REQUESTS						
Rank	Brief Description of Policy Item	Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost	Proposed 2006-07 Performance Measurement
4	<p>Funds for Enterprise Zone EIRs</p> <p>The State Department of Housing and Community Development (HCD) released a call for applications for new Enterprise Zone designations in March 2006. Economic Development is actively working with the 1st District and the 5th District to prepare applications for three separate County areas applying for Enterprise Zone status, one of which is currently an Enterprise Zone that is expiring in October 2006. Once an application is approved by HCD, an EIR will be required. Applications are expected to be approved by HCD in October 2006. The requested funds in this policy item will only be used for EIR(s) if Enterprise Zone designation is granted within the County. If an Enterprise Zone designation is obtained, this will further support the Agency's Business Plan goals of business retention, business attraction and investment in the County as well as small business development, job development, economic development, and City-County collaboration. There are many benefits of an Enterprise Zone designation to the County, such as hiring credits and incentives to businesses.</p> <p>This is a one time funding request and if an Enterprise Zone is not established within the County of San Bernardino these funds will be returned to the General Fund.</p>	-	500,000	-	500,000	
Proposed Performance Measure: Success in obtaining one Enterprise Zone designation						100%
5	<p>Office Assistant III</p> <p>This position would be responsible for inputting and updating job orders on the JESD.com website, performing research, and making decisions regarding the JESD.com website. With over 1,400 job orders received monthly, one Office Assistant III is required for this workload. Additionally this position will act as liaison between employers and Business Resource Specialists, as well as the community. Without this position, job orders will be delayed in appearing on the JESD.com website and therefore will result in delays in WDD and TAD clients obtaining work. This item supports the Agency's Business Plan goal of business retention through job development and small business development. This position will be partially funded through reimbursements as determined through the on-going time study with the Departments of the Agency: ED, WDD, TAD and RDA.</p> <p>This is an ongoing funding request.</p>	1.0	51,266	-	51,266	
Proposed Performance Measure: Input monthly job orders						90%
6	<p>High Desert Business Resource Center</p> <p>The Economic Development Agency is working with the 1st District to resolve issues with significant overcrowding of the High Desert Business Resource Center. Its current location is significantly inadequate to serve the business communities in the High Desert, as well as, others who travel to utilize its comprehensive resources. An adequate location for the High Desert BRC is needed to serve the businesses in the High Desert, as well as other business that may utilize the services at this center. The High Desert BRC will serve the businesses in the High Desert and Mountain communities, as well as other locations, that need business assistance for expansion, relocation, business development, information regarding County services, etc. As the growth and development grows within the High Desert, the need for adequate space becomes urgent to address the needs of businesses.</p> <p>One-time funding is requested in the amount of \$150,000 for tenant improvements, the establishment of a resource library, furniture, and public and staff computers.</p> <p>On-going funding is requested in the amount of \$150,000 for rent and utilities, library updates, services and supplies, and information systems management.</p>	-	300,000	-	300,000	
Proposed Performance Measure: Operation of the new High Desert Business Resource Center						100%
Total		3.0	2,118,300	32,592	2,085,708	



FEE REQUEST SUMMARY				
Brief Description of Fee Request	Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost
Enterprise Zone Vouchering Program - Processing Fee	-	2,000	2,000	-
<p>The County offers its support as a vouchering agent to several Local Agency Military Base Reuse Areas (LAMBRA) and Enterprise Zones (EZ). The processing of one (1) voucher is estimated to take approximately 30 minutes. Therefore, the EDA is requesting a new administrative fee of \$10.00 from each LAMBRA/EZ business for each voucher it processes. EDA currently vouchers for the Agua Mansa Enterprise Zone of which the County is a participating governmental agency and therefore does not charge a fee to its Zone businesses. However, since the County is not currently a participating governmental agency in any other LAMBRA/EZ, it is felt that a nominal charge will assist in off-setting the cost of staff time spent processing vouchers. Prior to commencement of collecting this voucher fee, agreement(s) will be brought before the Board of Supervisors identifying the County's and the LAMBRA's/EZ's roles in the vouchering process and requesting approval for County staff to assist the LAMBRA's/EZ's voucher qualified employees.</p> <p>If the fee is approved, the estimated annual revenue is \$2,000. There is no guarantee that the County will do any vouchering. Each LAMBRA/EZ may decide to process all vouchers itself and then the County would receive no revenue.</p>				
Total	-	2,000	2,000	-





2006-07 REVISED/NEW FEE REQUESTS
PROGRAM SUMMARY

GROUP NAME: Economic Development
DEPARTMENT NAME: Economic Development Agency
FUND NAME : General
BUDGET UNIT: AAA EDF
PROGRAM: Voucher Processing

PROGRAM APPROPRIATION AS CURRENTLY BUDGETED	
Budgeted Appropriation	\$ 2,688,606

PROGRAM FUNDING SOURCES AS CURRENTLY BUDGETED	
Current Fee Revenue for listed fees	-
Fee Revenue for fees not listed	-
Non Fee Revenue	-
Local Cost	2,688,606
Budgeted Sources	\$ 2,688,606

PROGRAM APPROPRIATION IF FEE REVISIONS ARE ACCEPTED	
Revised Appropriation	\$ 2,690,606

PROGRAM FUNDING SOURCES IF FEE REVISIONS ARE ACCEPTED	
Fee Revenue for listed fees	2,000
Fee Revenue for fees not listed	-
Non Fee Revenue	-
Local Cost	2,688,606
Revised Sources	\$ 2,690,606

DIFFERENCES (See Following Page for Details)	
\$	2,000
	2,000
	-
	-
	-
\$	2,000

SUMMARY OF JUSTIFICATION FOR FEE REQUEST(S)	
Change in Employee Related Costs	2,000
Inflationary Costs	
Other	
Total	\$ 2,000

Summary of Justification for Fee Request(s) and the Budgetary Impact to Program if Fee(s) are approved:	
See Attached.	



**2006-07 REVISED/NEW FEE REQUESTS
SUMMARY OF JUSTIFICATION AND BUDGETARY IMPACT**

GROUP NAME: Economic Development
DEPARTMENT NAME: Economic Development Agency
FUND NAME : General
BUDGET UNIT: AAA EDF
PROGRAM: Voucher Processing

Summary of Justification for Fee Requests(s) and the Budgetary Impact to Program if Fee(s) are approved:

The County offers its support as a vouchersing agent to several Local Agency Military Base Reuse Areas (LAMBRA) and Enterprise Zones (EZ). The processing of one (1) voucher is estimated to take approximately 30 minutes. Therefore, the EDA is requesting a new administrative fee of \$10.00 from each LAMBRA/EZ business for each voucher it processes. EDA currently vouchers for the Agua Mansa Enterprise Zone of which the County is a participating governmental agency and therefore does not charge a fee to its Zone businesses. However, since the County is not currently a participating governmental agency in any other LAMBRA/EZ, it is felt that a nominal charge will assist in off-setting the cost of staff time spent processing vouchers. Prior to commencement of collecting this voucher fee, agreement(s) will be brought before the Board of Supervisors identifying the County's and the LAMBRA's/EZ's roles in the vouchersing process and requesting approval for County staff to assist the LAMBRA's/EZ's voucher qualified employees.

If the fee is approved, the estimated annual revenue is \$2,000. There is no guarantee that the County will do any vouchersing. Each LAMBRA/EZ may decide to process all vouchers itself and then the County would receive no revenue.



2006-07 REVISED/NEW FEE REQUESTS
FEE SUMMARY

GROUP NAME: Economic Development
DEPARTMENT NAME: Economic Development Agency
FUND NAME : General
PROGRAM: Voucher Processing

CURRENT FEE ORDINANCE/ CODE SECTION	FEE TITLE/ DESCRIPTION	CURRENT FEE	CURRENT UNITS IN BUDGET	CURRENT FEE REVENUE	PROPOSED FEE	PROPOSED UNITS	PROPOSED/ NEW FEE REVENUE	CHANGE IN FEE	CHANGE IN UNITS	CHANGE IN REVENUE	INCREASE IN APPROP	JUSTIFICATION FOR REQUEST INCLUDE BUDGETARY IMPACT IF FEE IS APPROVED
	Local Agency Military Base Reuse Areas and Enterprise Zone Vouchering Program -	\$ -	-	\$ -	\$ 10.00	200	\$ 2,000	\$ 10.00	200	\$ 2,000	\$ 2,000	The EDA is requesting a new fee of \$10.00 to assist in processing voucher from Local Agency Military Base Reuse Areas and Enterprise Zones. If approved EDA services and supplies will be increased by approx. \$2,000.

COMMUNITY DEVELOPMENT AND HOUSING

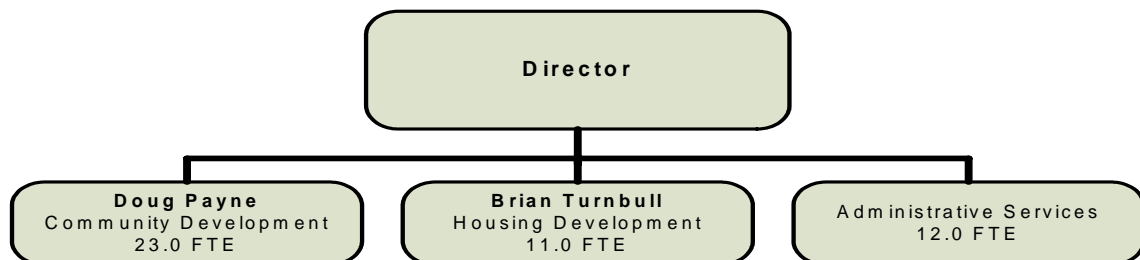
MISSION STATEMENT

The Community Development and Housing Department works to improve the quality of life for residents of the county through identifying, obtaining and administrating local, state, federal and private funding sources available for community development and housing programs.

STRATEGIC GOALS

1. Process the HUD-required documents that permit the county to qualify as an urban county under the CDBG, HOME and ESG programs.
2. Develop and coordinate the Consolidated Plan process for obtaining the HOME Investment Partnerships Act (HOME), the Emergency Shelter Grant (ESG) and the Community Development Block Grant (CDBG) entitlement formula grants.
3. Oversees the implementation of new and continuing CDBG, HOME and ESG projects approved in the annual Action Plan and amendments.
4. Prepare an annual performance report covering the Consolidated Plan Grant Programs for submittal to the Department of Housing and Urban Development (HUD).

ORGANIZATIONAL CHART

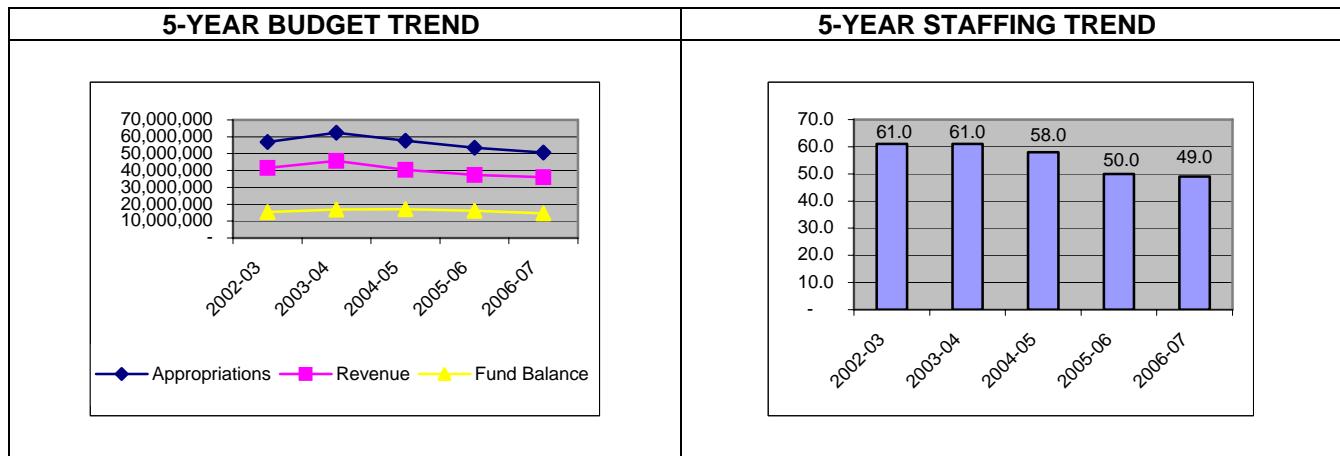


Community Development and Housing

DESCRIPTION OF MAJOR SERVICES

The Community Development and Housing (CDH) is responsible for administering federal, state, and local grant funds allocated to the County of San Bernardino for housing and community development programs. Federal funds comprise a large percentage of the total monies included in the department's budget through the Community Development Block Grant (CDBG), Emergency Shelter Grant (ESG), the Home Investment Partnership Act Grant (HOME), the Neighborhood Initiative Grant (NI) and the Economic Development Initiative Program (EDI) Grant. In addition, the department received and is administering a United States Department of Agriculture Forest Service grant for Southern California Drought Assistance. The CDBG grant has been reduced by 10% this budget year reducing the funds available for Block Grant assistance.

BUDGET HISTORY



PERFORMANCE HISTORY

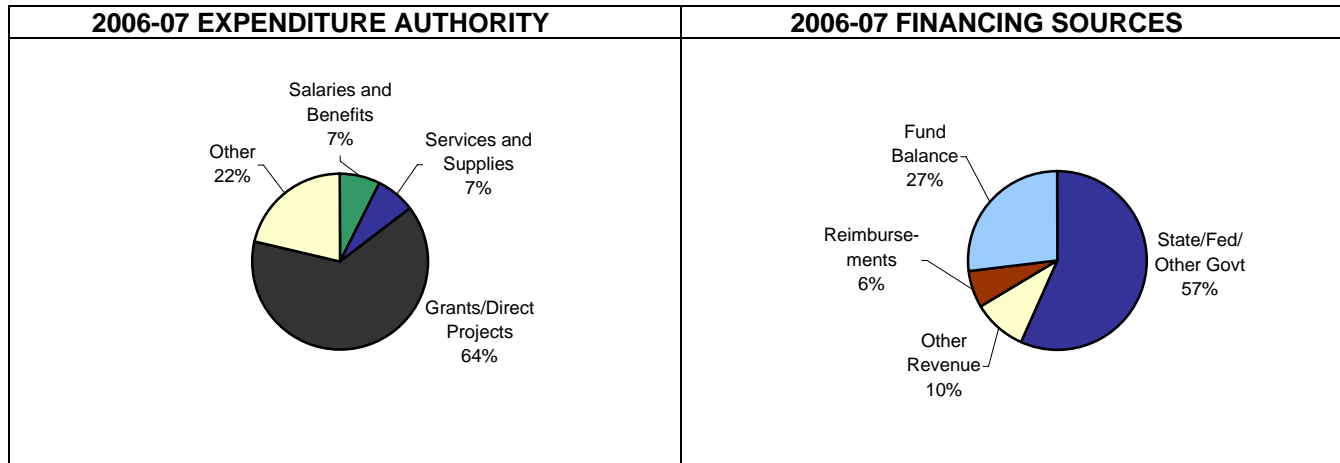
	Actual 2002-03	Actual 2003-04	Actual 2004-05	Modified Budget 2005-06	Estimate 2005-06
Appropriation	23,714,740	20,028,295	24,335,828	53,454,506	25,030,528
Departmental Revenue	25,026,053	20,274,741	22,338,993	37,334,194	23,508,301
Fund Balance	(1,311,313)	(246,446)	1,996,835	16,120,312	1,522,227
Budgeted Staffing				50.0	

In accordance with Section 29009 of the State Government Code, the entire unreserved fund balance must be appropriated each year. Accordingly, actual expenditures in this fund are typically less than budgeted. Most of CDH's revenue is from federally funded grants that are for longer than one year, thus revenue is under realized for each individual fiscal year, but totally realized over the period of the grants. The unexpected and unrealized amounts in 2005-06 have been carried over to the subsequent year's budget.

The usage of grant funds over the years and the lack of new grants reflect the gradual reduction in the budget.



ANALYSIS OF PROPOSED BUDGET



GROUP: Economic Development
 DEPARTMENT: Community Development and Housing
 FUND: Community Development and Housing

BUDGET UNIT: CDH Consolidated
 FUNCTION: Public Assistance
 ACTIVITY: Other Assistance

	2002-03 Actual	2003-04 Actual	2004-05 Actual	2005-06 Estimate	2005-06 Final Budget	2006-07 Proposed Budget	Change From 2005-06 Final Budget
Appropriation							
Salaries and Benefits	3,270,192	3,551,394	3,780,253	3,652,210	3,828,423	4,058,175	229,752
Services and Supplies	1,197,528	1,621,860	1,408,385	1,497,129	3,473,451	3,908,124	434,673
Grants/Direct Projects	16,155,866	11,707,770	15,561,680	17,160,636	40,004,432	34,556,506	(5,447,926)
Central Computer	51,123	34,249	45,171	54,180	54,180	59,593	5,413
Transfers	4,642,619	4,454,809	5,187,319	5,013,107	7,910,410	10,373,404	2,462,994
Total Exp Authority	25,317,328	21,370,082	25,982,808	27,377,262	55,270,896	52,955,802	(2,315,094)
Reimbursements	(2,202,751)	(2,291,133)	(3,080,866)	(3,474,347)	(3,770,920)	(3,523,993)	246,927
Total Appropriation	23,114,577	19,078,949	22,901,942	23,902,915	51,499,976	49,431,809	(2,068,167)
Operating Transfers Out	600,163	949,346	1,433,886	1,127,613	2,000,000	1,300,000	(700,000)
Total Requirements	23,714,740	20,028,295	24,335,828	25,030,528	53,499,976	50,731,809	(2,768,167)
Departmental Revenue							
Taxes	16,583	31,038	88,320	35,000	40,000	29,500	(10,500)
Fines and Forfeitures	2,357	6,897	4,060	3,300	6,000	3,300	(2,700)
Use Of Money and Prop	776,499	646,167	688,908	645,200	763,400	650,878	(112,522)
State, Fed or Gov't Aid	17,326,715	13,907,410	16,545,488	18,568,949	31,713,794	30,722,519	(991,275)
Other Revenue	6,903,899	5,682,429	5,012,217	4,249,852	4,811,000	4,682,057	(128,943)
Other Financing Sources	-	800	-	6,000	-	-	-
Total Revenue	25,026,053	20,274,741	22,338,993	23,508,301	37,334,194	36,088,254	(1,245,940)
Fund Balance					16,165,782	14,643,555	(1,522,227)
Budgeted Staffing					50.0	49.0	(1.0)

In 2006-07, the department will incur increased costs to maintain current services, such as negotiated labor agreements, retirement, risk management, central computer and inflationary services and supplies purchases; and will incur decreased costs in worker's compensation. These costs are reflected in the Change From 2005-06 Final Budget column, along with changes related to Board approved mid-year adjustments, and department recommendations.

Even though the department will receive a new \$3,091,270 grant for Cedar Glen water and road improvements, the proposed budget contains significant reductions in Grants/Direct Projects due to a 10% (\$889,830) reduction in our CDBG Grant and the final receipt of entitlement funds from other federal grants. The Business Loan and Section 108 programs are not receiving any more federal funds due to the complete receipt of grant funds. The current business loan programs are using the return on current loans for future loans. The Bark Beetle Grant is winding down and will be exhausted this fiscal year.



The grant program expenditures budgeted for projects in 2006-07 are as follows: the HOME program (\$8,000,000), the Neighborhood Initiative program (\$7,915,000), Emergency Shelter program (\$388,000), and Consolidated Block Grant program (\$14,659,375) for 2006-07.

The department reduced its budgeted staff by one and discontinued the reimbursement of three employees assigned to another department due to the overall reduction of grant funds. The proposed budget includes requests to reclassify a Fiscal Specialist position to a Supervising Fiscal Specialist position and an ECD Specialist II position to an ECD Program Manager. The reclassification of these two positions would more accurately reflect the current duties and the supervisorial responsibilities performed by these two positions.

PERFORMANCE MEASURES		
Description of Performance Measure	Estimated 2005-06	Proposed 2006-07
Percentage of Emergency Shelter Grant (ESG) "Cold Weather Shelter Program" contracts with non-profit homeless service providers executed within 30 days of completion of RFP.	40%	75%
Percentage of Community Development Block Grant (CDBG) project Environmental Review Records (ERR) approved by HUD within 90 days of project approval.	60%	80%



WORKFORCE DEVELOPMENT

Barbara Halsey

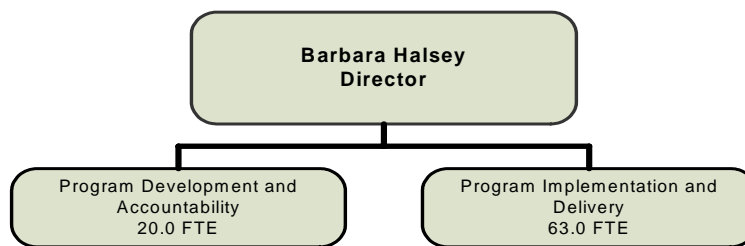
MISSION STATEMENT

Workforce Development Department provides comprehensive employment, training, and support services in accordance with the Department of Labor (DOL) Workforce Investment Act (WIA) that respond to the needs of job seekers, businesses, and communities within the County of San Bernardino.

STRATEGIC GOALS

1. Increase number of customers provided universal services.
2. Meet or exceed all WIA enrollment and performance standards.

ORGANIZATIONAL CHART



Workforce Development

DESCRIPTION OF MAJOR SERVICES

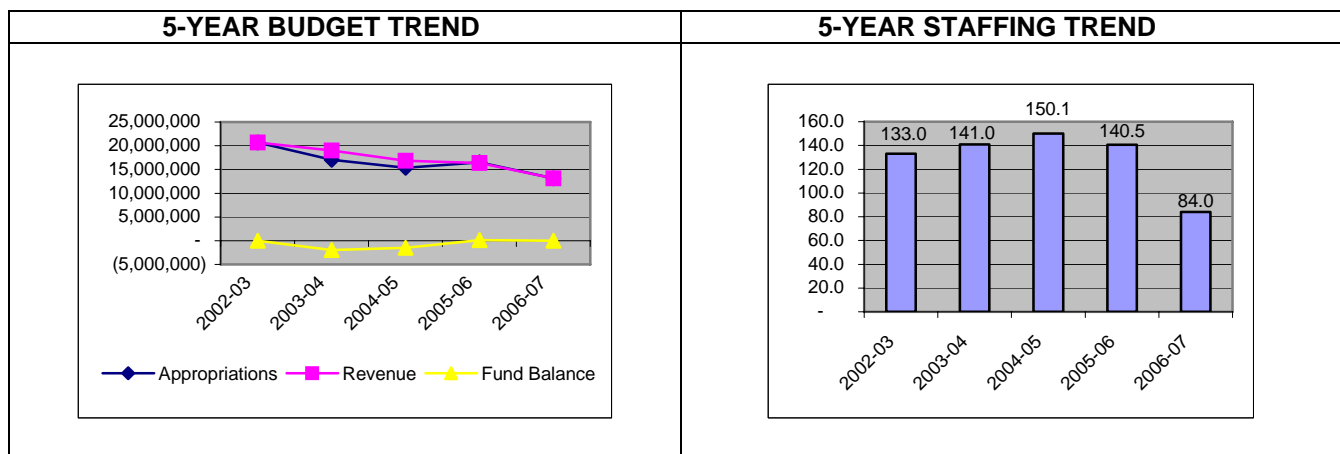
The Workforce Development Department provides a marginal employment service to job seekers, incumbent workers, entrepreneurs and employers. The department is responsible for administering and operating programs under the Department of Labor's Workforce Investment Act. Funding for programs is allocated at the federal level and comes to the county from the State Employment Development Department/Workforce Investment Division. Through this funding stream, services are delivered to job seekers and businesses throughout the county via the department's Employment Resource Centers. These offices are called the Workforce Investment Employment and Business Resource Centers and are strategically placed in three of the county's economic regions. The west end office is located in Rancho Cucamonga, the east valley office is located in San Bernardino, and the high desert office is located in Hesperia. The department will implement full electronic access to the system with its phase-in of the web-based Workforce Investment Network (WIN) site.

The primary customers served by the department are businesses and job seekers. The department has adopted "Our Job is Your Future" as its motto, and holds the following vision in the performance of its work: We are a nationally recognized, award winning workforce system that successfully serves job seekers, businesses, and the community to ensure economic growth and vitality.

The department supports the county's mission through the provision of services to businesses and job seekers. Committed to operating a demand driven service delivery system, the department has developed a reputation for excellence in serving the workforce needs of businesses. Understanding that increased employment opportunities enhance the quality of life for residents, the department strives to ensure that the needs of local businesses are met by providing them with a skilled workforce. It connects with economic development professionals and organizations in order to understand the growing job base that new businesses bring to the county and to assist in attracting new business by offering training and hiring incentives as funding allows. The department works to meet the on-going needs of existing businesses as they face the challenge of maintaining a qualified workforce. In order to accomplish the task of workforce development, the department links educational providers to business communities with the goal of assuring training developed and delivered is demand driven producing the workforce needed by businesses today and in the future.

The Workforce Investment Board oversees the programs offered through the department. This Board is comprised of private business representatives and public sector partners who have been appointed by the County Board of Supervisors.

BUDGET HISTORY



PERFORMANCE HISTORY

	Actual 2002-03	Actual 2003-04	Actual 2004-05	Modified Budget 2005-06	Estimate 2005-06
Appropriation	18,478,494	14,140,555	12,860,640	16,483,455	13,691,947
Departmental Revenue	16,437,316	14,450,588	13,484,794	16,372,440	13,580,932
Fund Balance				111,015	
Budgeted Staffing				140.5	

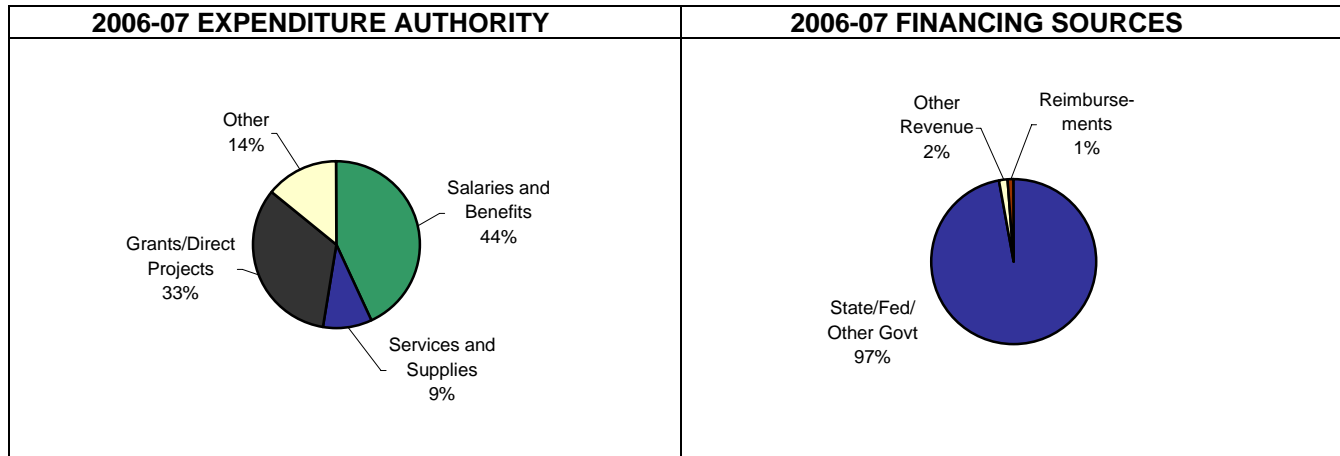
The budget trend for the Workforce Development Department has experienced more than a 20% decrease since 2002-03. The decline in revenues is a reflection of two distinct impacts. First, specialty grants such as Welfare-to-Work, National Emergency, and Nurse's Workforce Initiative grants are multi-year funded and have expired during this period. Secondly, the WIA formulary funds such as Adult, Dislocated Worker, and Youth grants have experienced declining allocations from DOL to the State of California.

Staffing trends are a direct reflection of changes in grant programs.

Actual expenditures vary from the budget due to the requirement that total allocations must be budgeted in the year allocated and actual revenues received are for reimbursement of actual expenses incurred.



ANALYSIS OF PROPOSED BUDGET



GROUP: Economic Development
DEPARTMENT: Workforce Development Dept
FUND: Workforce Development

BUDGET UNIT: SAC JOB
FUNCTION: Public Assistance
ACTIVITY: Other Assistance

	2002-03 Actual	2003-04 Actual	2004-05 Actual	2005-06 Estimate	2005-06 Final Budget	2006-07 Proposed Budget	Change From 2005-06 Final Budget
Appropriation							
Salaries and Benefits	4,847,086	7,388,602	7,515,569	6,980,914	8,309,383	5,732,270	(2,577,113)
Services and Supplies	1,710,537	1,092,097	1,285,974	1,103,234	995,014	1,127,287	132,273
Central Computer	79,873	99,385	104,199	106,780	106,780	111,841	5,061
Grants/Direct Projects	10,192,351	8,413,237	4,105,869	4,591,138	6,376,509	4,417,444	(1,959,065)
Equipment	19,705	-	50,000	-	20,000	-	(20,000)
Transfers	1,743,348	1,931,358	1,680,788	1,528,702	2,745,224	1,887,187	(858,037)
Total Exp Authority	18,592,900	18,924,679	14,742,399	14,310,768	18,552,910	13,276,029	(5,276,881)
Reimbursements	-	(4,784,124)	(1,881,759)	(618,821)	(2,069,455)	(159,600)	1,909,855
Total Appropriation	18,592,900	14,140,555	12,860,640	13,691,947	16,483,455	13,116,429	(3,367,026)
Departmental Revenue							
Use Of Money and Prop	-	219,815	188,971	212,879	204,400	213,400	9,000
State, Fed or Gov't Aid	16,437,316	14,229,748	13,293,760	13,368,053	16,168,040	12,903,029	(3,265,011)
Current Services	-	970	-	-	-	-	-
Other Revenue	-	55	2,063	-	-	-	-
Total Revenue	16,437,316	14,450,588	13,484,794	13,580,932	16,372,440	13,116,429	(3,256,011)
Fund Balance					111,015	-	(111,015)
Budgeted Staffing					140.5	84.0	(56.5)

In 2006-07, the department will incur increased costs to maintain current services, such as negotiated labor agreements, retirement, risk management, central computer and inflationary services and supplies purchases; and will incur decreased costs in worker's compensation. These costs are reflected in the Change From 2005-06 Final Budget column, along with changes related to department recommendations.

Significant changes in this budget reflect the impacts of specialty grants expiring at the end of 2005-06 and the anticipated 10% cut in Workforce Investment Act (WIA) grant allocations.

The decrease in budgeted staffing of 56.5 positions is due to the completion of the National Emergency Grant Short-Term Employment program (27.5), termination of the Memorandum of Understanding (MOU) with the Transitional Assistance Department (TAD) program (14.5), the defunding of positions in anticipation of WIA funding reductions (7.0), the transfer of positions to the Economic Development Agency (4.0) to centralized Information Technology services and miscellaneous staffing changes (3.5).



PERFORMANCE MEASURES		
Description of Performance Measure	Estimated 2005-06	Proposed 2006-07
Increase the number of customers using Universal services at the Employment Resource Centers.		5%
Enroll Adults - Entered Employment.		73%
Enroll Adults - Retained Employment.		60%
Enroll Dislocated Workers - Entered Employment.		80%
Enroll Dislocated Workers - Retained Employment.		70%
Enroll Older Youth - Entered Employment.		63%
Enroll Older Youth - Retained Employment.		48%
Enroll Younger Youth - Attainment of skill related training certificates.		76%
Enroll Younger Youth - Attain High School Diploma or obtain GED.		55%
Enroll Younger Youth - Remain in School or Retain Employment.		50%

